

Adopted	Rejected
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## COMMITTEE REPORT

YES:	12
NO:	0

### MR. SPEAKER:

*Your Committee on Education, to which was referred House Bill 1121, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 20-12-22.2 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003]:
- 5 **Chapter 22.2. Teacher Recruitment and Retention Fund**
- 6 **Sec. 1. As used in this chapter, "fund" refers to the teacher**
- 7 **recruitment and retention fund established by section 3 of this**
- 8 **chapter.**
- 9 **Sec. 2. As used in this chapter, "board" refers to the**
- 10 **professional standards board established by IC 20-1-1.4-2.**
- 11 **Sec. 3. (a) The teacher recruitment and retention fund is**
- 12 **established.**
- 13 **(b) The purpose of the fund is to attract additional qualified**
- 14 **teachers to the geographical areas of Indiana where there is a**
- 15 **critical shortage of teachers, as determined by the board, by**
- 16 **granting loan repayment assistance authorized under this chapter**

1 to eligible applicants.

2 (c) The fund consists of the following:

3 (1) Appropriations made by the general assembly.

4 (2) Gifts, grants, devises, or bequests made to the state in  
5 order to achieve the purposes of the fund.

6 (d) The fund shall be administered by the board. The expenses  
7 of administering the fund shall be paid from money in the fund.

8 (e) Funds appropriated to the fund shall be placed in the state  
9 treasury to the credit of the teacher recruitment and retention  
10 fund. Loan repayment assistance payments shall be made out of  
11 this fund by the treasurer of state upon a warrant issued by the  
12 auditor of state in accordance with rules adopted by the board.

13 Sec. 4. The board shall receive and consider all applications for  
14 loan repayment assistance it receives from teachers with  
15 outstanding guaranteed student loans made, issued, or guaranteed  
16 under a program authorized by Title IV of the Higher Education  
17 Act of 1965 (20 U.S.C. 1070 et seq.) .

18 Sec. 5. (a) To qualify for loan repayment assistance for student  
19 loans under this chapter a person must:

20 (1) hold a license to teach under IC 20-6.1-3;

21 (2) complete at least one (1) year of teaching service in a  
22 geographical area of Indiana where a critical shortage of  
23 teachers exists, as determined by the board;

24 (3) agree in writing to the employment requirements set forth  
25 in section 7 of this chapter; and

26 (4) meet any additional criteria established by the board.

27 (b) For each year for which a teacher qualifies under subsection  
28 (a), the board may grant loan repayment assistance to the teacher  
29 in an amount not to exceed the lesser of:

30 (1) fifty percent (50%) of the total principal and interest of  
31 the guaranteed student loans owed by the teacher during the  
32 year for which the teacher qualifies under subsection (a); or

33 (2) three thousand dollars (\$3,000).

34 (c) The loan repayment assistance granted to a qualified teacher  
35 under this chapter must be used to reduce the principal and  
36 interest on a guaranteed student loan owed by that qualified  
37 teacher. The years of service rendered to obtain loan repayment  
38 assistance for student loans must be consecutive and may not

1 exceed five (5) years. The maximum amount of loan repayment  
2 assistance that may be granted to any qualified teacher is fifteen  
3 thousand dollars (\$15,000).

4 Sec. 6. A qualified teacher must apply for a loan repayment on  
5 an application form supplied by the board. The board shall  
6 consider each application and determine the eligibility of the  
7 applicant for the loan repayment assistance.

8 Sec. 7. (a) Before being granted loan repayment assistance  
9 under this chapter, each qualified teacher must enter into a  
10 contract with the board agreeing to the terms and conditions upon  
11 which the loan repayment assistance will be granted to the  
12 qualified teacher.

13 (b) As a condition of being granted loan repayment assistance  
14 under this chapter, a teacher must agree to employment for a  
15 period of at least five (5) years as a licensed teacher in a school  
16 district located in a geographical area of Indiana where a critical  
17 shortage of teachers exists.

18 (c) Service rendered by a teacher in a geographical area where  
19 a critical shortage of teachers exists before that teacher becomes a  
20 participant in the program may not be considered to have fulfilled  
21 the employment commitment required by subsection (b).

22 (d) A person failing to comply with the employment  
23 commitment required by subsection (b) in any required school year  
24 is immediately in breach of contract and becomes liable  
25 immediately to the board for the sum of all loan payments awarded  
26 to that person, less one-third (1/3) of the amount of that sum for  
27 each year that service was rendered, plus interest accruing at the  
28 current federal Stafford Loan rate at the time the breach occurs.

29 Sec. 8. The board shall maintain complete and accurate records  
30 in implementing the loan repayment fund, including records of the  
31 following:

- 32 (1) The receipt, disbursement, and uses of funds.
- 33 (2) The number of applications for loan repayment assistance.
- 34 (3) The number and amount of loans for which loan  
35 repayment assistance has been provided by the board.
- 36 (4) Other pertinent information requested by the board.

37 Sec. 9. The board may adopt rules under IC 4-22-2 necessary to  
38 carry out this chapter, including rules governing the enforcement

- 1 **of any employment requirements and repayment requirements.**  
(Reference is to HB 1121 as introduced.)

**and when so amended that said bill do pass.**

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Representative Porter